

# **Unaudited First Quarter Financial Statements And Dividend Announcement for the Three Months / First Quarter Ended 31 March 2013**

## **PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 & Q4), HALF-YEAR AND FULL YEAR RESULTS**

- 1(a) An income statement and statement of comprehensive income or a statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Note	Three months / first quarter ended 31 March		
		2013 US\$'000	2012 US\$'000	% Increase/ (Decrease)
Revenue	(1)	34,080	31,345	8.7%
Cost of sales		(25,903)	(24,934)	3.9%
Gross profit		8,177	6,411	27.5%
Other operating income		335	297	12.8%
Provisional gain on bargain purchase		1,494	-	N.M.*
Distribution expenses		(521)	(503)	3.6%
Administrative expenses		(5,717)	(5,934)	(3.7%)
Finance costs		(56)	(68)	(17.6%)
Profit before income tax		3,712	203	1,728.6%
Income tax expense		(868)	(460)	88.7%
Profit/(Loss) after income tax		2,844	(257)	N.M.
Profit/(Loss) attributable to:				
Owners of the Company		2,842	(254)	N.M.
Non-controlling interests		2	(3)	N.M.
		2,844	(257)	N.M.

\* N.M.: Not meaningful.

### **Note (1)**

Profit before income tax has been arrived at after charging/(crediting):

	Three months / first quarter ended 31 March	
	2013 US\$'000	2012 US\$'000
Depreciation of property, plant and equipment	871	877
Interest income	(217)	(121)
Net foreign exchange gain (Note a)	(86)	(140)
Allowance for inventories	46	114
Net loss/(gain) on disposal of property, plant and equipment	6	(46)
(Gain)/Loss on change in fair value of derivative financial instruments	(37)	87

Note a: The foreign currency exchange gain for the three months ended 31 March 2013 comprised mainly unrealised gain net of unrealised loss on translating monetary assets less monetary liabilities in foreign currencies, mainly United States dollars and Japanese yen, to functional currency at each Group entity, and realised gain net of realised loss on payments denominated in foreign currencies other than the functional currency in each Group entity.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the period ended 31 March 2013**

	Three months / first quarter ended 31 March		
	2013 US\$'000	2012 US\$'000	% Increase/ (Decrease)
Profit/(Loss) after income tax	2,844	(257)	N.M.
Other comprehensive income:			
Deferred tax liability arising on revaluation of available-for-sale investments	(50)	(37)	35.1%
Exchange difference on translation of foreign operations	(877)	(636)	37.9%
Available-for-sale investments			
Fair value gain arising during the periods	106	88	20.5%
Other comprehensive expense for the period, net of tax	(821)	(585)	40.3%
Total comprehensive income/(expense) for the period, net of tax	2,023	(842)	N.M.
Total comprehensive income/(expense) attributable to:			
Owners of the Company	2,021	(839)	N.M.
Non-controlling interests	2	(3)	N.M.
	2,023	(842)	N.M.

- 1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**As at 31 March 2013**

	The Group		The Company	
	As at 31 March 2013 US\$'000	As at 31 December 2012 US\$'000	As at 31 March 2013 US\$'000	As at 31 December 2012 US\$'000
<b><u>ASSETS</u></b>				
<b>Current assets</b>				
Cash and bank balances	50,345	53,252	404	58
Trade receivables	15,873	25,728	-	-
Other receivables and prepayments	1,881	2,096	31	26
Prepaid lease payments	9	9	-	-
Income tax recoverable	7	7	-	-
Inventories	7,667	10,527	-	-
Loans and receivables	5,069	4,938	-	-
Pledged bank deposits (Note b)	143	143	-	-
<b>Total current assets</b>	<b>80,994</b>	<b>96,700</b>	<b>435</b>	<b>84</b>
<b>Non-current assets</b>				
Available-for-sale investments	753	705	-	-
Held-to-maturity investment	977	983	-	-
Other assets	686	741	-	-
Amount due from a subsidiary	-	-	15,484	15,876
Prepaid lease payments	458	459	-	-
Property, plant and equipment	19,293	19,237	-	-
Subsidiaries	-	-	10,735	10,735
<b>Total non-current assets</b>	<b>22,167</b>	<b>22,125</b>	<b>26,219</b>	<b>26,611</b>
<b>Total assets</b>	<b>103,161</b>	<b>118,825</b>	<b>26,654</b>	<b>26,695</b>
<b><u>LIABILITIES AND EQUITY</u></b>				
<b>Current liabilities</b>				
Bank and other borrowings	4,196	5,236	-	-
Trade payables	18,162	32,716	-	-
Other payables and accruals	4,618	5,565	271	272
Derivative financial instruments	-	37	-	-
Current portion of obligation under finance leases	376	410	-	-
Income tax payable	3,275	3,986	-	-
<b>Total current liabilities</b>	<b>30,627</b>	<b>47,950</b>	<b>271</b>	<b>272</b>
<b>Non-current liabilities</b>				
Bank and other borrowings	5,168	5,360	-	-
Obligation under finance leases	399	466	-	-
Retirement benefit obligations	1,240	1,309	-	-
Deferred tax liabilities	686	794	-	-
<b>Total non-current liabilities</b>	<b>7,493</b>	<b>7,929</b>	<b>-</b>	<b>-</b>
<b>Capital, reserves and non-controlling interests</b>				
Issued capital	10,087	10,087	10,087	10,087
Reserves	54,916	52,823	16,296	16,336
<b>Equity attributable to owners of the Company</b>	<b>65,003</b>	<b>62,910</b>	<b>26,383</b>	<b>26,423</b>
<b>Non-controlling interests</b>	<b>38</b>	<b>36</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>65,041</b>	<b>62,946</b>	<b>26,383</b>	<b>26,423</b>
<b>Total liabilities and equity</b>	<b>103,161</b>	<b>118,825</b>	<b>26,654</b>	<b>26,695</b>

Note b: As at 31 March 2013, the Group's bank deposits of approximately US\$143,000 (31 December 2012: US\$143,000) were pledged to financial institutions to secure banking facilities granted to the Group.

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.**

**Amount repayable in one year or less, or on demand**

	As at 31 March 2013		As at 31 December 2012	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
<b>Bank and other borrowings</b>	-	4,196	-	5,236
<b>Obligation under finance leases</b>	376	-	410	-
<b>Total</b>	376	4,196	410	5,236

**Amount repayable after one year**

	As at 31 March 2013		As at 31 December 2012	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
<b>Bank and other borrowings</b>	-	5,168	-	5,360
<b>Obligation under finance leases</b>	399	-	466	-
<b>Total</b>	399	5,168	466	5,360

**Details of collateral**

As at 31 March 2013, the Group's bank deposits of approximately US\$143,000 (31 December 2012: US\$143,000) were pledged to financial institutions to secure banking facilities granted to the Group. The carrying amount of the Group's property, plant and equipment includes an amount of US\$1,350,000 (31 December 2012: US\$1,427,000) in respect of assets held under finance leases which are secured by the lessor's title to the leased assets.

- 1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

<b>CONSOLIDATED STATEMENT OF CASH FLOWS</b>		
<b>For the period ended 31 March 2013</b>		
	<b>The Group</b>	
	<b>Three months / first quarter ended 31 March</b>	
	<b>2013 US\$'000</b>	<b>2012 US\$'000</b>
<b>OPERATING ACTIVITIES</b>		
<b>Profit before income tax</b>	3,712	203
Adjustments for		
Allowance for inventories	46	114
Depreciation of property, plant and equipment	871	877
Amortization of prepaid lease payments	3	3
Interest income	(217)	(121)
Interest expenses	56	68
Net loss/(gain) on disposal of property, plant and equipment	6	(46)
Retirement benefit obligations	47	39
Provisional gain on bargain purchase	(1,494)	-
(Gain )/Loss on change in fair value of derivative financial instruments	(37)	87
<b>Operating cash flows before movements in working capital</b>	2,993	1,224
Trade receivables, other receivables and prepayments	10,825	7,837
Inventories	2,978	577
Trade payables, other payables and accruals	(16,352)	(9,032)
<b>Cash generated from operations</b>	444	606
<b>Net income tax paid</b>	(1,737)	(906)
<b>Interest paid</b>	(56)	(68)
<b>Net cash used in operating activities</b>	(1,349)	(368)
<b>INVESTING ACTIVITIES</b>		
Proceeds on disposal of property, plant and equipment	3	216
(Increase)/Decrease in other assets	(1)	44
Additional investment in available-for-sale investments	(3)	(4)
Purchase of property, plant and equipment (Note c)	(210)	(418)
Interest income received	217	121
Acquisition of subsidiary (Note d)	376	-
<b>Net cash from/(used in) investing activities</b>	382	(41)
<b>FINANCING ACTIVITIES</b>		
Proceeds from share options exercised	82	-
Payment of share buy back	(10)	(288)
Proceeds from bank and other borrowings	3,365	15,449
Repayment of obligation under finance leases	(96)	(52)
Repayment of bank and other borrowings	(4,296)	(18,840)
<b>Net cash used in financing activities</b>	(955)	(3,731)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(1,922)	(4,140)
<b>NET EFFECT OF CURRENCY TRANSLATION DIFFERENCES</b>	(985)	(631)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	53,252	45,506
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	50,345	40,735

Note c: In the first quarter ended 31 March 2013, the Group acquired property, plant and equipment with aggregate cost of approximately US\$210,000 (1Q2012: US\$534,000) and did not acquire any property, plant and equipment by means of finance lease (1Q2012: US\$116,000). Cash payment of approximately US\$210,000 (1Q2012: US\$418,000) was made to purchase property, plant and equipment.

Note d: Acquisition of a subsidiary, net of cash acquired

	Group	
	Three months / first quarter ended 31 March 2013 US\$'000	Three months / first quarter ended 31 March 2012 US\$'000
The assets and liabilities of a subsidiary acquired during the periods are as follows:		
Non-current assets	964	-
Current assets	1,628	-
Current liabilities	(881)	-
<b>Net assets acquired</b>	1,711	-
Provisional gain on bargain purchase	(1,494)	-
<b>Total cost of acquisition</b>	217	-
<b>Net cash inflow arising on acquisition</b>		
Cash consideration paid	217	-
Cash and cash equivalents acquired	(593)	-
<b>Cash inflow on acquisition, net of cash and cash equivalents acquired</b>	(376)	-

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**The Group's statement of changes in equity with a comparative statement for the corresponding period of immediately preceding financial year is as follows:**

	Share capital US\$'000	Share premium of the Company US\$'000	Share capital reserve US\$'000	Treasury shares US\$'000	Share option reserve US\$'000	Merger reserve US\$'000	Reserve Fund US\$'000	Enterprise Expansion Fund US\$'000	Other Reserves US\$'000	Revaluation reserve US\$'000	Currency translation reserve US\$'000	Retained earnings US\$'000	Attributable to equity holders of the Company US\$'000	Attributable to non-controlling interests US\$'000	Total US\$'000
Balance as at 1 January 2013	10,087	18,994	(15)	(3,115)	225	(7,020)	6,091	325	1,185	137	13,327	22,689	62,910	36	62,946
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	56	(877)	2,842	2,021	2	2,023
Shares purchased under Share Purchase Mandate and held as treasury shares	-	-	-	(10)	-	-	-	-	-	-	-	-	(10)	-	(10)
Treasury shares transferred out to satisfy share options exercised	-	-	(21)	103	-	-	-	-	-	-	-	-	82	-	82
Transfer on share options exercised	-	-	-	-	(21)	-	-	-	-	-	-	21	-	-	-
Balance as at 31 March 2013	10,087	18,994	(36)	(3,022)	204	(7,020)	6,091	325	1,185	193	12,450	25,552	65,003	38	65,041

	Share capital US\$'000	Share premium of the Company US\$'000	Share capital reserve US\$'000	Treasury shares US\$'000	Share option reserve US\$'000	Merger reserve US\$'000	Reserve Fund US\$'000	Enterprise Expansion Fund US\$'000	Other Reserves US\$'000	Revaluation reserve US\$'000	Currency translation reserve US\$'000	Retained earnings US\$'000	Attributable to equity holders of the Company US\$'000	Attributable to non-controlling interests US\$'000	Total US\$'000
Balance as at 1 January 2012	10,087	18,994	-	(1,347)	266	(7,020)	5,446	321	1,181	(3)	14,476	16,156	58,557	19	58,576
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	51	(636)	(254)	(839)	(3)	(842)
Shares purchased under Share Purchase Mandate and held as treasury shares	-	-	-	(288)	-	-	-	-	-	-	-	-	(288)	-	(288)
Transfer on share options lapsed	-	-	-	-	(20)	-	-	-	-	-	-	20	-	-	-
Balance as at 31 March 2012	10,087	18,994	-	(1,635)	246	(7,020)	5,446	321	1,181	48	13,840	15,922	57,430	16	57,446

**The issuer's statement of changes in equity with a comparative statement for the corresponding period of immediately preceding financial year is as follows:**

	Share capital US\$'000	Share premium of the Company US\$'000	Share capital reserve US\$'000	Treasury shares US\$'000	Share option reserve US\$'000	Retained earnings US\$'000	Total US\$'000
Balance as at 1 January 2013	10,087	18,994	(15)	(3,115)	225	247	26,423
Total comprehensive income for the period	-	-	-	-	-	(112)	(112)
Shares purchased under Share Purchase Mandate and held as treasury shares	-	-	-	(10)	-	-	(10)
Treasury share transferred out to satisfy share option exercised	-	-	(21)	103	-	-	82
Transfer on share options exercised	-	-	-	-	(21)	21	-
Balance as at 31 March 2013	10,087	18,994	(36)	(3,022)	204	156	26,383

	Share capital US\$'000	Share premium of the Company US\$'000	Share capital reserve US\$'000	Treasury shares US\$'000	Share option reserve US\$'000	Retained earnings US\$'000	Total US\$'000
Balance as at 1 January 2012	10,087	18,994	-	(1,347)	266	592	28,592
Total comprehensive income for the period	-	-	-	-	-	(12)	(12)
Shares purchased under Share Purchase Mandate and held as treasury shares	-	-	-	(288)	-	-	(288)
Transfer on share options lapsed	-	-	-	-	(20)	20	-
Balance as at 31 March 2012	10,087	18,994	-	(1,635)	246	600	28,292



- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

### Share Capital

As at 31 December 2012, the Company's issued and fully paid up share capital was US\$10,087,084 represented by 459,842,221 ordinary shares (excluding treasury shares) and 44,512,000 treasury shares.

During the quarter ended 31 March 2013, the Company purchased 120,000 ordinary shares with par value of US\$0.02 each under the share purchase mandate and held them as treasury shares. In addition, during the current quarter, 1,464,000 treasury shares were transferred out to satisfy share options exercised under the Company's employee Share Option Scheme. As at 31 March 2013, the Company's issued and fully paid up share capital was US\$10,087,084 represented by 461,186,221 ordinary shares (excluding treasury shares) and 43,168,000 treasury shares.

### Treasury shares

	The Company			
	2013 Number of shares	US\$'000	2012 Number of shares	US\$'000
Balance as at 1 January	44,512,000	3,115	21,306,000	1,347
Purchased during the first quarter ended 31 March	120,000	10	3,798,000	288
Transferred during the first quarter ended 31 March	(1,464,000)	(103)	-	-
Balance as at 31 March	<u>43,168,000</u>	<u>3,022</u>	<u>25,104,000</u>	<u>1,635</u>

### Share Options

On 11 June 2008, the Chief Executive Officer of the Company proposed to grant options to four executive directors and eight senior executives (the "Participants") to subscribe for a total 19,032,000 ordinary shares with par value of US\$0.02 each in the capital of the Company. This proposal was adopted by the Remuneration Committee and options granted were accepted by the Participants in June 2008. The option will be exercisable at S\$0.07 per share with an exercise period commencing from 11 June 2009 to 10 June 2013 (both days inclusive). During the first quarter ended 31 March 2012, 1,464,000 unexercised share options were lapsed on the ground that the employee left the Group. In addition, 1,464,000 share options were exercised in the quarter ended 30 September 2012 and further 1,464,000 share options were exercised in the first quarter ended 31 March 2013 under the Company's employee Share Option Scheme.

The number of outstanding share options as at 31 March 2013 was 14,640,000 (31 December 2012: 16,104,000).

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	The Company	
	As at 31 March 2013	As at 31 December 2012
Issued shares	504,354,221	504,354,221
Less: Treasury shares	<u>(43,168,000)</u>	<u>(44,512,000)</u>
Total number of issued shares excluding treasury shares	<u>461,186,221</u>	<u>459,842,221</u>

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

During the period ended 31 March 2013, 1,464,000 treasury shares were transferred out to satisfy share options exercised under the Company's employee Share Option Scheme. Except for this transfer, there were no sales, transfers, disposal, cancellation and/or use of treasury shares during the current financial period reported on.

**2. Whether the figures have been audited, or reviewed and in accordance with which standard or practice.**

The figures have not been audited or reviewed by any independent auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recent audited annual financial statements have been applied.**

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the most recently audited annual financial statements for the year ended 31 December 2012 except for the adoption of the new and revised International Financial Reporting Standards which came into effect this financial year from 1 January 2013. The adoption of these new accounting policies did not give rise to any significant change to the financial statements.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not applicable.

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

Profit/(Loss) per ordinary share for the periods based on  
profit/(loss) attributable to owners of the Company on  
1(a) above

	Three months / first quarter ended 31 March	
	2013	2012
Based on weighted average number of ordinary shares in issue (US cents)		
- Basic	0.62	(0.05)
- Fully diluted	0.61	(0.05)
Weighted average number of ordinary shares for the purpose of basic earnings per ordinary share (Note e)	459,939,021	482,448,935
Effect of dilutive share options	7,266,454	4,684,404
	<hr/>	<hr/>
Weighted average number of ordinary shares for the purpose of diluted earnings per ordinary share	<u>467,205,475</u>	<u>487,133,339</u>

Note e: The weighted average number of ordinary shares was computed after adjusting for the effect of treasury shares held by the Company.

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.**

31 March 2013

31 December 2012

Net asset value per ordinary share, excluding treasury shares (US cents)

- The Group	14.10	13.69
- The Company	5.72	5.75

The calculation of the net asset value per ordinary share was based on total number of 461,186,221 (31 December 2012: 459,842,221) ordinary shares (excluding treasury shares).

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors, and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

**Income Statement**

During the quarter under review, the Group recorded a US\$2.8 million increase in revenue to US\$34.1 million as compared to the revenue of US\$31.3 million in the corresponding quarter in the previous year. It was mainly due to a higher average selling price with reasonable margin for new products of which the manufacturing had commenced in the mid of the previous year.

The Group's gross profit for this quarter raised by US\$1.8 million or 27.5% to US\$8.2 million with gross profit margin relatively improved to 24.0% as compared to 20.5% in the corresponding quarter in the previous year. It was due to the Group enjoying reasonable margin and economies of scale over sizable and steady orders of few products since mid of the previous year.

During the quarter under review, the Group completed the registration of the acquisition of 100% equity interest in Minami Tec (Wuxi) Co., Limited ("MT Wuxi") at a total cash consideration of US\$0.2 million. As the completion account is still under process, the Group has recognised a provisional gain of US\$1.5 million on the bargain purchase and credited such amount to the Group's income statement with the best information available in the quarter under review. As soon as the completion account on MT Wuxi to confirm the gain so recognised as income, the Group will make a follow-up announcement accordingly.

Distribution expenses were slightly increased in line with the rise in revenue. Administrative expenses dropped by 3.7% or US\$0.2 million to US\$5.7 million, attributable to the translation of expenses denominated in Japanese yen to United States dollar over which Japanese yen had been weakening against United States dollars. Finance costs remained at a low level during the quarter as the Group maintained a low gearing policy at low interest rate environment. Income tax expenses grew by US\$0.4 million from US\$0.5 million to US\$0.9 million over the quarter under review. Against the rise in revenue, the Group recorded profit before income tax and profit after income tax of US\$3.7 million and US\$2.8 million respectively for the quarter, representing a rise of US\$3.5 million and US\$3.1 million respectively.

**LCD Backlight Units**

Comprising more than half of the Group's sales, LCD Backlight Units segment's sales increased by US\$3.6 million to US\$21.6 million in the first quarter, as compared to the sales of US\$18.0 million in the corresponding quarter in the previous year. The improvement in average selling price and margin in the current quarter enabled the segment to enjoy a rise in operating profit by US\$2.5 million to US\$3.4 million as compared to US\$0.9 million in the corresponding quarter in the previous year. During the quarter, the Group manufactured 2.0 million units for handsets and 5.2 million for gamesets as compared to 1.0 million units for handsets and 7.6 million for gamesets in the corresponding quarter in the previous year. The Group recorded an improvement in the segment's operating margin points of 11.0% to 15.8% during the quarter under review.

### Office Automation

Sales in the Office Automation segment were affected by weak demand in Japan and by the termination of some old products in the PRC. The segment registered an increase in revenue by US\$1.1 million to US\$6.1 million in the current quarter. Such increase in revenue was not enough to reach a breakeven point. As such, the Group recorded an operating loss of US\$0.2 million at a negative margin of 3.2% as compared to an operating loss of US\$0.7 million at a negative margin of 14.7% in the corresponding quarter in the previous year, representing an improvement in margin of 11.5%.

### LCD Parts and Accessories

There was a drop in revenue of LCD Parts and Accessories segment by US\$1.9 million to US\$6.4 million in the current quarter from US\$8.3 million in the corresponding quarter in the previous year. Due to the phase out of some old products, the segment recorded an operating loss of US\$0.4 million at a negative margin of 6.9% as compared to an operating profit of US\$0.8 million at a positive margin of 9.3% in the corresponding quarter in the previous year. The segment continues to take the leverage of close relationship with manufacturer of optical sheets and to strengthen the business related to Japanese-made protective film in this segment.

### Statement of Financial Position

As at 31 March 2013, total assets and liabilities stood at US\$103.2 million and US\$38.1 million respectively.

Total current assets fell by US\$15.7 million over the current quarter to US\$81.0 million as at 31 March 2013. Apart from the decrease in cash and bank balances for the settlement of trade payables and bank loans, trade receivables and inventories also dropped due to the decrease in sales with explanation stated above. For the trade receivables, the Group debtor turnover day was approximately 55 days. There is no material change in the credit term to customers in general. Other receivables mainly represented utility deposits, prepaid expenses and value-added tax recoverable. Included in loan and receivables is the entrusted loan into which the Group entered with an independent third party for generating higher interest income.

Total non-current assets stood at US\$22.2 million, unchanged over the quarter under review. Included in property, plant and equipment was the newly purchased production equipment amounting to US\$0.2 million and equipment, arising from the acquisition of MT Wuxi, amounting to US\$1.0 million, which was netted off against the depreciation charge of US\$0.9 million for the quarter under review.

Total liabilities as at 31 March 2013 dropped to US\$38.1 million, representing a decrease of US\$17.8 million over the quarter under review. The Group settled bank loans and other borrowings on schedule, of which the total amount of bank loans and other borrowings were decreased by US\$1.2 million to US\$9.4 million as at 31 March 2013. During the quarter under review, the Group did not enter into any finance lease arrangement.

The trade payables were reduced by US\$14.6 million to US\$18.2 million as at 31 March 2013 over the quarter under review. It was consistent with the drop in the sales as explained above. There was no material change in the credit terms offered by the Group's suppliers.

The income tax on profit for the quarter under review was provided and adjusted under tax rules of different jurisdiction.

Included in the non-current liabilities are retirement benefit obligation for directors in the Group's subsidiaries in Japan and deferred tax liabilities.

### Statement of Cash Flows

The Group had net cash used in operating activities amounting to US\$1.3 million for the current quarter as compared to US\$0.4 million in the corresponding quarter in the previous year. The increase in net cash used in operating activities were due to the settlement of trade and other payables and payment of income tax paid during the quarter under review.

For investing activities, there was a net cash inflow of US\$0.4 million from investing activities as a result of net cash inflow of cash and cash equivalents acquired less cash consideration paid on acquisition of MT Wuxi. During the quarter under review, the Group purchased property, plant and equipment amounting to US\$0.2 million as compared to US\$0.4 million in the corresponding quarter in the previous year.

Net cash used in financing activities amounted to US\$1.0 million, as compared to US\$3.7 million in the corresponding quarter in the previous year. The net cash out flows mainly included the net settlement of bank loans amounting to US\$0.9 million during the quarter under review.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

Not applicable.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

**Business Environment**

In the first quarter of the current financial year ("FY2013"), the Group experienced a general slowdown in orders due to discontinuation of phase-out products and a major customer's stock adjustment. This trend continues to the second quarter of FY2013; orders of new models from customers are expected from mid of FY2013 onwards.

The Group has also been operating its production facilities in China, where the business environment is characterised by increasing labour costs, persistent inflation and tightening labour supply, coupled with appreciating Chinese Renminbi. Such rising production costs would outweigh, to certain extent, the gain from the improvement in the productivity efficiency and economy of scale.

**Performance Outlook by Business Segments**

The LCD Backlight Units segment suffers from a major customer's stock adjustment, extending from the start of FY2013 to the second quarter of FY2013. Management is confident that order volume will be recovered in the second half of FY2013. Meanwhile, orders for new models of smartphone have been secured and will commence mass production in late 2Q13 and early 3Q13. The Group has also started the supply of thin LCD backlight units to a Chinese LCD module manufacturer in the second quarter of FY2013. As it is at the startup period, the order volume is small and is unlikely to make a significant contribution to the Group's performance for FY2013. Management continues to actively explore other potential customers and markets with the Research and Development capabilities in Japan.

The LCD Parts and Accessories segment experiences the phase out of the old products at the start of 2013. Management expects that orders for new models of smart phones, tablets and ultra-notebook will likely come on stream in mid-year or in the third quarter of FY2013.

The Office Automation segment continues to focus its effort to develop new products, although it remains challenging due to weak demand.

Overall, Management remains optimistic towards the performance of the Group's operation in the following 12 months.

**Managing Risk**

The Group is operating in a competitive environment with a high level of reliance on a single customer. Management focus its effort on securing long-term sustainable business growth by diversifying the Group's customer base in electronic market, as well as by exploring into other industries which require the Group's existing technical know-how and production process. Management continues to devise strategy to minimize manufacturing costs and operating expenses through, production process re-engineering, active inventory management and regular review of operating costs.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on? No

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year? No

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**12. If no dividend has been declared/recommendeded, a statement to that effect.**

Not applicable.

**13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group has not obtained a general mandate from shareholders for IPTs. The IPTs for the year are as follows:

	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Name of interested person	US\$'000	US\$'000
Mr YOSHIMI Kunikazu - Advisory fee	54	-
Total	54	-

**PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**  
**(This part is not applicable to Q1, Q2, Q3, Q4 or Half Year Results)**

14. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

**CDW Holding Limited**

**Business segment for the three months / first quarter ended 31 March 2013**

The Group is organised into three reportable operating segments as follows:

- i) LCD backlight units – Manufacturing of LCD backlight units for LCD module
- ii) Office automation – Manufacturing and trading of parts and precision accessories for office equipment and electrical appliances
- iii) LCD parts and accessories – Manufacturing and trading of parts and precision accessories for LCD module

	<b>LCD backlight units</b>	<b>Office automation</b>	<b>LCD parts and accessories</b>	<b>Eliminations</b>	<b>Consolidated</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b><u>Revenue</u></b>					
External sales	21,556	6,100	6,424	-	34,080
Inter-segment sales	-	212	519	(731)	-
Total revenue	21,556	6,312	6,943	(731)	34,080
<b><u>Results</u></b>					
Segment result	3,411	(196)	(445)		2,770
Provisional gain on bargain purchase					1,494
Unallocated corporate expense					(713)
Operating profit					3,551
Interest income					217
Interest expenses					(56)
Profit before income tax					3,712
Income tax expense					(868)
Profit after income tax					2,844
<b><u>Assets</u></b>					
Segment assets	32,473	20,155	43,282	(577)	95,333
Unallocated assets					7,828
Consolidated total assets					103,161
<b><u>Liabilities</u></b>					
Segment liabilities	8,518	6,354	8,211	(577)	22,506
Bank and other borrowings and obligation under finance leases					10,139
Unallocated liabilities					5,475
Consolidated total liabilities					38,120
<b><u>Other information</u></b>					
Capital expenditure	29	109	72		210
Depreciation of property, plant and equipment	128	114	629		871

**Business segment for the three months / first quarter ended 31 March 2012**

	LCD backlight units	Office automation	LCD parts and accessories	Eliminations	Consolidated
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b><u>Revenue</u></b>					
External sales	18,029	4,987	8,329	-	31,345
Inter-segment sales	-	438	468	(906)	-
Total revenue	18,029	5,425	8,797	(906)	31,345
<b><u>Results</u></b>					
Segment result	861	(733)	771		899
Unallocated corporate expense					(749)
Operating profit					150
Interest income					121
Interest expenses					(68)
Profit before income tax					203
Income tax expense					(460)
Profit after income tax					(257)
<b><u>Assets</u></b>					
Segment assets	30,893	15,619	47,090	(799)	92,803
Unallocated assets					2,849
Consolidated total assets					95,652
<b><u>Liabilities</u></b>					
Segment liabilities	9,020	4,354	10,842	(799)	23,417
Bank and other borrowings and obligation under finance leases					11,159
Unallocated liabilities					3,630
Consolidated total liabilities					38,206
<b><u>Other information</u></b>					
Capital expenditure	26	85	423		534
Depreciation of property, plant and equipment	169	95	613		877

**Geographical Segment for the three months / first quarter ended 31 March 2013 and 2012**

	Turnover		Non-Current Assets		Capital Expenditure	
	Three months / first quarter ended 31 March		Three months / first quarter ended 31 March		Three months / first quarter ended 31 March	
	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000	2013 US\$'000	2012 US\$'000
<b>Hong Kong</b>	9,858	10,384	195	1,148	3	18
<b>PRC</b>	19,927	16,683	16,868	17,801	207	502
<b>Japan</b>	2,861	4,277	3,213	4,096	-	14
<b>Others</b>	1,434	1	-	-	-	-
<b>Total</b>	34,080	31,345	20,276	23,045	210	534

Non-current assets mainly comprise prepaid lease payment and property, plant, equipment and deposits.

**Information about major customer**

Revenue from one key customer which has transactions with all segments accounted for 75% (1Q2012: 72.0%) of total revenue for 1Q2013.



**15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to paragraph 8 for the factors leading to any material changes in contribution to revenue and earnings by business segments. In terms of geographical segments, the Group was generating revenue in Hong Kong, the PRC and Japan. Revenue in Hong Kong, the PRC and Japan accounted for 28.9%, 58.5% and 8.4% of the total revenue respectively. Total revenue increased by 8.7% to US\$34.1 million for the current quarter as compared to the corresponding period in the previous year.

As at 31 March 2013, non-current assets located in Hong Kong, the PRC and Japan accounted for 1.0%, 83.2% and 15.8% of the total non-current assets of the Group respectively. During this quarter, the Group invested a total capital expenditure of US\$0.2 million for the purchase of equipment in the PRC, in which the capital expenditure is mainly for producing new products.

**16. A breakdown of sales**

	Three months / first quarter ended 31 March		
	2013 US\$'000	2012 US\$'000	% Increase/ (Decrease)
Sales reported for the first quarter	34,080	31,345	8.7%
Operating profit/(loss) after income tax for the first quarter	2,844	(257)	N.M.

**17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

Annual Dividend (in US\$'000)	Year ended 31 December 2012	Year ended 31 December 2011
Ordinary dividend		
- Interim	2,351	1,461
- Final	3,219	1,910
Total	5,570	3,371

**18. Negative confirmation by the Board pursuant to Rule 705(5)**

We, Urano Koichi and Dy Mo Hua Cheung, Philip, being two directors of CDW Holding Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of the directors of the Company which may render the financial statements for the three months / first quarter ended 31 March 2013 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

URANO Koichi  
Executive Director  
14 May 2013

DY MO Hua Cheung, Philip  
Executive Director